

CHAPTER 80-2-8

FIELD OF MEMBERSHIP

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80-2-8-.01 Definitions.

The field of membership of a state-chartered credit union shall consist of those persons, groups of persons, or organizations, each bound together by its own "common bond," i.e., a specific relationship of occupation, association or interest; residence within a well-defined neighborhood, community, or rural district; employment; or membership in a bona fide cooperative, educational, fraternal, professional, religious, rural or similar organization. The common bond shall be such as would tend to create a mutual interest between persons sharing the relationship and must exist outside of the credit union itself. A common bond within a field of membership shall include persons related by blood, adoption, or marriage to or living in the same household with a person having the common bond as well as persons and surviving spouses of persons who are no longer within the common bond but who were members of the credit union in good standing when they left.

Authority Ga. L. §7-1-61; §7-1-663.

80-2-8-.02 Affiliated Organizations as Additions to Non Residential Group Common Bonds.

(1) Organizations whose employees, members, or owners are primarily (more than fifty (50) percent) composed of persons or organizations within a non residential group common bond shall be eligible for membership in the credit union and all employees, members and owners of such an organization shall likewise be eligible for membership within the related common bond group, subject to approval according to this rule.

(2) Organizations and employees and members of organizations having a continuing contractual relationship with a non residential group common bond for other than membership eligibility purposes shall be eligible for membership in such group, provided they are approved according to this rule.

(3) Inclusion of organizations set forth in (1) and (2) above and employees and members of such organizations as members of a common bond group within a credit union must be approved by a majority of the Board of Directors of the credit union based upon a written request from a senior policy-making official of the organization certifying that the organization desires credit union services and that the organization will provide payroll deduction facilities or a technological equivalent enabling automatic access to members' payroll or designated financial account wherever located.

(4) Membership by the affiliated organization shall not be effective until:

(a) The Board of Directors amend the bylaws to add such organization to the field of membership; and

(b) A copy of the amended bylaws, properly adding such organization to the field of membership, is received by the department. Such receipt of compliant bylaws shall constitute approval of the bylaws by the department.

Authority Ga. L. §7-1-61; §7-1-663.

80-2-8.03 Requirements for Adding Additional Common Bond Groups to a Credit Union's Field of Membership.

(1) A field of membership may consist of more than one common bond. Application to the department is required, to include a proposed amendment to the bylaws.

(2) An application to add a common bond group must:

(a) Demonstrate that membership is financially and economically viable, that the application promotes competition, and that it broadens the availability of financial services to the proposed membership;

(b) Provide payroll deduction services or a technological equivalent enabling automatic access to a member's payroll or designated financial account wherever located;

(c) Be approved for inclusion into the field of membership by a majority of the credit union's Board of Directors;

(d) In the case of a non residential group common bond, demonstrate sponsor support for any new group sought or if necessary, the impact of loss of support from a sponsor; and

(e) Meet any additional requirements in this rule chapter.

(3) A credit union may expand its field of membership pursuant to this section only where:

(a) It has demonstrated sufficient managerial and financial capacity to safely and soundly serve such expanded membership; and

(b) It has developed a comprehensive business plan acceptable to the department designed to accomplish such expansion program in a safe, sound and business like manner.

(4) Requests for approval of additional groups of any type must be in writing and include evidence that all the requirements of this rule chapter have been met.

Authority Ga. L. §7-1-61; §7-1-663.

80-2-8-.04 Requirements for Residential Groups.

(1) A credit union shall request approval from the department to add a residential common bond group to its field of membership by an amendment to its bylaws. Code Section 7-1-630(b) permits a common bond of a field of membership to be “residence within a well defined neighborhood, community, or rural district”.

(2) Definitions for residential groups:

(a) “Well defined” shall mean able to be described in writing and delineated by geographic or political boundaries on a map.

(b) “Neighborhood” shall mean a small part of a geographic unit considered in regard to its inhabitants or distinctive characteristics. It will have unifying characteristics such as recreational, associational or social facilities or functions for residents.

(c) “Community” shall mean an area where:

(1) Residents share common political, environmental, geographical or economic characteristics that tend to create a mutual interest; or

(2) Residents share common facilities or services such as an education or transportation system, recreational or cultural facilities, government, medical services, newspaper, fire or police protection, public utilities and services or other unifying characteristics that tend to create interaction or a mutual interest.

(d) “Rural District” shall mean an area that is outside a Metropolitan Statistical Area (MSA) as those areas are established from time to time by the United States Office of Management and Budget. It should also reflect a commonality of interest which may be participation or membership in agricultural, land use, or soil conservation districts or associations.

(3) A residential group common bond request shall be accompanied by application to the department and a proposed change to the credit union’s bylaws. In reviewing such application, the department shall consider:

(a) Whether the well defined area has adequate unifying characteristics or a mutual interest such that the safety and soundness of the institution, and protection of the funds invested by members, is maintained;

(b) Consistent with Chapter 1 of Title 7, the ability of state credit unions to maintain parity and to compete fairly with their federal counterparts, and the law and rules of the National Credit Union Administration regarding community common bonds;

(c) Service by the credit union that is responsive to the needs of prospective members, to promote thrift and create a source of credit at reasonable rates;

(d) Protection for the interests of current and future members of the credit union; and

(e) The encouragement of economic progress in the state by allowing the opportunity to expand services and facilities.

(4) The applicant credit union shall have the burden to show to the department such facts and data that support the requirements and considerations in this rule and department policy.

(5) The department shall formulate detailed policies and procedures to guide credit unions in making applications for residential groups, and to give specific requirements. The financial and managerial capacity of a credit union shall be a primary consideration for the department in approving any residential group common bond. The credit union must demonstrate that the size, capability and experience of its management is adequate to meet the demands of the residential group proposed. A comprehensive strategic and ongoing business plan will be required that addresses the services to be provided, impact on the credit union's capital and resources, adequacy of fixed assets, service distribution capability, data management facilities, and ability of management to recognize, monitor and control risk.

(6) Notification of an approved application for a residential common bond shall be included in the department's bulletin. The name of the credit union and a brief description of the geographical area shall be part of the notice.

Authority Ga. L. § 7-1-3; § 7-1-61; § 7-1-70; § 7-1-630; § 7-1-634; § 7-1-663.

80-2-8-.05 Repealed. Reserved.

Authority Ga. L. §7-1-61; §7-1-663.

80-2-8-.06 Emergency Changes.

The department may waive any provisions of this chapter in its discretion to facilitate the merger or combination of any credit union with a troubled or failing credit union.

Authority Ga. L. 1974, p. 705.